GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

STARRED QUESTION NO:38
ANSWERED ON:16.07.2002
INVESTMENT BY PUBLIC UNDERTAKINGS IN OTHER PSUS
SHANKERSINH VAGHELA

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the public Sector Undertakings are being allowed to invest in other Public Sector Undertakings in the disinvestment process;

(b) if so, the details and the advantages thereof; and

(c) the impact thereof on the dividend payable to the Government?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) & (b) On the basis of the criteria decided for the qualification of bidders for acquiring stakes in any Public Sector Undertaking slated for disinvestment, any company, in private or public sector, can take part in a competitive bidding process. However, depending on the unique features of a case, and taking into consideration all relevant factors, Government can always impose reasonable restrictions in specific cases, in public interest, in its interest as owner, and in the interest of privatisation of `non-strategic` PSUs.

(c) The precise impact thereof on the dividend payable to the Government cannot be estimated. Dividend payable to the shareholders depends, inter alia, on the performance and profitability of the company.